

# Alliance Energy

March 7, 2011

WRITTEN TESTIMONY - ALLIANCE ENERGY LLC IN SUPPORT OF  
S.B. 1113 TO THE ENVIORNAMTN COMMITTEE

## **BACKGROUND:**

- Under the current funding system the Commercial Tank Program has seen hundreds of millions of dollars diverted to other purposes, funds which are generated through a gasoline tax that was embraced by the industry, and originally intended by the legislature for the cleanup of UST leaks and the safeguarding of the environment.
- Under the current funding system the Commercial Tank Program is budgeted to receive approximately \$1.2 million next year—the Fund needs a minimum of \$12 million to be “viable”.
- Private industry—in this case gasoline dealers—are willing to step in to assist the State and provide a mechanism by which the Tank Fund can be restored to a viable status.

## **THE BILL INCLUDES THE FOLLOWING PROPOSED PROVISIONS:**

- Establishes the Connecticut Commercial Tank Insurance Fund in order for commercial tank owners to meet requirements set in federal law.
- Sets \$20 million as the maximum amount to be deposited in the Tank Fund and a \$10 million minimum.
- Prohibits diverting funds for other purposes.
- Establishes a 42 cents per barrel fee (1 cent per gallon) on the gasoline imported into Connecticut; Set the parameters of eligibility to access the fund.

### **POSITIVE ASPECTS OF THE PROPOSED LEGISLATION:**

- Returns approximately \$2.5 million to the general fund.
- Enables Connecticut businesses to comply with federal law.
- Establishes a “safety valve” so that revenue is only applied to the cleanup of leaking UST’s.
- Protects drinking water and the environment by ensuring that leaking underground storage tanks are cleaned up.
- Allows private financing of UST cleanups to return to Connecticut.
- Maintains and creates jobs for petroleum marketers and environmental remediation professionals.

**In short, this new funding mechanism will allow private enterprise, particularly small business owners, to operate while simultaneously protecting and safeguarding the environment. It is a prime example of how the State and private enterprise can partner for the mutual benefit of all the citizens of the State.**

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